

PARAMOUNT SCHOOL OF EXCELLENCE

2011-2012 Performance Analysis

Core Question 2: Is the organization effective and well-run?

2.1. Is the school in sound fiscal health?

STANDARD	The school presents significant concerns in no more than <u>one</u> of the following areas: a) its state financial audits (e.g., presence of “significant findings”); b) its financial staffing and systems; c) its success in achieving a balanced budget over the past three years; d) the adequacy of its projections of revenues and expenses for the next three years; e) its fulfillment of financial reporting requirements under Sections 10 and 17 of the charter agreement. In addition, if the school presents significant concerns in one area, it has a credible plan for addressing the concern that has been approved by the Mayor’s Office.
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2011-12 Performance: **Exceeds Standard**

A) The School’s Financial Audits (e.g. presence of “significant findings”)

Paramount School of Excellence’s (PSoE) audit had no material weaknesses or significant deficiencies for the 2011-12 school year. The school’s auditors, Sikich, stated, “In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole”.

While the school had no material weaknesses or significant deficiencies for 2011-12, the supplemental audit report does indicate some challenges that the school faced in its first year of operations, 2010-11. Sikich provided comments in regard to the following areas:

- **Official Bonds:** The auditors stated, “Official bonds were not provided for audit during the 2010-11 school year”. This means the school did not furnish proof that the employee(s) charged with handling the majority of the monies had a cash bond or insurance policy that protects the school from employee theft, fraud, error, or omission. The school has rectified this problem and now contracts with Tobias Insurance for the School Treasurer’s bond.
- **Average Daily Membership:** The audit indicates that the school did not maintain or did not make available the proper records to substantiate their ADM claims for 2010-11. The school has resolved this challenge it now maintains PowerSchool records to substantiate the number of students claimed for the Average Daily Membership.
- **School Lunch:** The school did not present completed SF-2, SF-2A, or SF-3 forms for the 2010-11 audit. This has since been resolved. The school uses PowerLunch to maintain school food form records.

- **Internal Controls Over Receipting and Depositing:** The auditors stated that cash receipts were not issued for every transaction in which cash was received. The school now issues receipts to every individual from whom cash is received.
- **Conflicts of Interest:** Institute of School Excellence, Inc. (ISE) managed PSoE in the 2010-11 school year. During this time, the school received technology services from ion360. One of the directors from ISE was the owner of ion360, but a conflict of interest statement was not disclosed. The school chose to discontinue the use of ISE and Ion360 at the close of the 2010-11 school year.
- **Indiana Special Education Charter Cooperative (ISECC):** The school entered into a joint services agreement with Indiana Special Education Charter Cooperative (ISECC) to obtain special education related services; however, the state doesn't authorize a school corporation to enter into an agreement of this variety with a non-profit. For such agreement to exist, the school should have entered into an agreement with another school corporation. The school chose to discontinue the use of ISE and Ion360 at the close of the 2010-11 school year

Given that the issues listed above all pertain to the 2010-11 school year and that the school had no concerns noted for 2011-12, our office has no concerns at this time.

B) The School's Financial Staffing and Systems

The school has established adequate staffing and systems for managing its finances. PSoE's staff includes Shawna Ping who is the school's Business Manager. The school contracts with Bookkeeping Plus, Inc. for additional financial accounting, oversight, and employee payroll.

C) The School's Success in Achieving a Balanced Budget Over the Past Three Years

As of the 2012-13 school year, PSoE is in its third year of operations. As a result, we can only analyze the last 2 years of operations to determine the school's ability to maintain a balanced budget. The table below indicates the incomes and ending balances of the school for its first two years of operations.

Year	Change in Net Assets	Ending Balance
FY 12	\$750,260	\$1,526,040
FY 11	\$468,125	\$775,780

These pieces of data indicate that the school has been able to maintain a balanced budget in its first two years of operations.

D) The Adequacy of the School's Projections of Revenues for the Next Three Years

Paramount School of Excellence has furnished adequate budget projections for the next three years. The table below details the school's projected change in net assets and ending balances for the next three years.

Year	Change in Net Assets	Ending Balance
FY 13	\$383,936	\$533,164
FY 14	\$207,299	\$740,463
FY 15	\$31,664	\$772,127

These projections along with the school's financial performance for the last two years indicate that it is on track to continue to be financially stable.

E) The School's Fulfillment of Financial Reporting Requirements under Sections 10 and 17 of the Charter Agreement

The school has fulfilled financial reporting requirements under Sections 10 and 17 of the charter agreement.

2.2. Are the school's student enrollment, attendance, and retention rates strong?	
STANDARD	The school is consistently fully enrolled. Student attendance and retention rates are generally at or above the school's agreed-upon target rates.

2011-12 Performance: Approaching Standard

PSoE did not meet its enrollment target for 2011-12. The following chart displays the school's target enrollment compared with its official fall enrollment, as reported by the IDOE.

Year	Target Enrollment	Fall Enrollment	Percent Below
2011-12	500	460	8%

Source: Official fall enrollment figures from the IDOE. Target enrollment is the maximum capacity from the school's charter agreement with the Mayor's Office, submitted by the school.

The 2011-12 the attendance rate at PSoE was below the averages of the state and county.

	PSoE	MC	IN
2011-12 Attendance rate	95.04%	96.06%	96.1%

No targets have been established for student retention rates for PSoE.

Based on the 2011-12 performance, PSoE is approaching the Mayor's Office standard for this indicator because they did not meet enrollment targets and had an attendance rate slightly lower than the state and county.

2.3. Is the school's Board active and competent in its oversight?	
STANDARD	The school's board a) contributes a broad skill set and is reflective of the community; b) is knowledgeable about the school and able to make decisions in a timely fashion; c) has policies and by-laws that are consistently followed, regularly reviewed, and include clearly defined roles and responsibilities for members; d) consistently achieves quorum and adheres to Indiana's Open Door Law; e) records meeting minutes that are thorough, accurate and transparent; f) regularly conducts a formal evaluation of the school against established academic, financial and operational performance goals; and g) has a written plan for the succession of leadership.

2011-12 Performance: **Approaching Standard**

In 2011-12, the Paramount School of Excellence Board collectively contributed a broad skill set, properly delineated roles and responsibilities, and provided consistent and competent stewardship of the school. The Board adequately represents the community, was knowledgeable about the school, and progressively demonstrated thoughtful discussions and consideration of issues.

The board roster revealed eight members with a range of expertise. However, from the initial founding board to the school's first year of operation, 7 members resigned. Throughout the conclusion of the last academic year through this academic year, the board has lost 5 members demonstrating improved stability, but consistent turnover. The board consistently achieved quorum, regularly reviewed its bylaws as evidenced in the board retreat minutes as well as an amendment of their articles of incorporation and bylaws. Review of board minutes illustrates thorough, accurate, and transparent information. The Board also worked diligently to create policies to meet the needs of several parents who consistently expressed concern around the school and requested opportunities to communicate directly to the board. In response the board created a visitor's policy, a grievance policy, added an additional line item within their budget reflecting funds raised by the school's PTSO, appointed a parent to the board, created a parent center within the school, provided a link on the school's website for parents to access school policies, and created a board email for parents to access.

The board reviews the school leader annually regarding academic, financial, and operational performance, however it is unclear how aligned the review is to actual goals. The PSoE board has an internal leadership structure which consists of a school leader, assistant school leader, dean of students, and director of operations, however will have to move toward a written plan for

succession of leadership. Therefore, the school is approaching the Mayor's Office standard for this indicator for 2011-12.

2.4. Is there a high level of parent satisfaction with the school?	
STANDARD	More than 80% but less than 90% of parents surveyed indicate that they are satisfied overall with the school.

2011-12 Performance: Meets Standard

In the spring of each year, researchers administer anonymous surveys to parents of students enrolled at Mayor-sponsored charter schools. In 2011-12, 82% of PSoE parents reported overall satisfaction with the school. According to the data, the school meets the Mayor's Office standard for performance for this indicator for the 2011-12 academic year.

2.5. Is the school administration strong in its academic and organizational leadership?	
STANDARD	The school's administration a) has sufficient academic and organizational expertise; b) has been sufficiently stable over time; c) has clearly defined roles and responsibilities among administrators; d) actively engages in a process of continuous improvement and mid-course corrections; e) has established high expectations for all stakeholders – staff, students, and parents; f) has organized operations and secured necessary resources to effectively implement the mission of the school; g) ensures the school achieves strong academic and operational performance; and h) has developed a plan for succession for administrators and staff.

2011-12 Performance: Approaching Standard

In 2011-12, Paramount School of Excellence's administration exhibited sufficient academic and leadership expertise and demonstrated continuous improvement. Delineation of roles and responsibilities of leaders and between leaders, are clear as evidenced from the school's revamped leadership structure which includes a school leader, assistant school leader, dean of students, and director of operations.

The administration collectively demonstrated sufficient academic and business expertise. It is clear that the administration actively engages in a process of continuous improvement and mid course corrections as evidenced by their new teacher observation protocols and reallocation of Title I oversight to the assistant school leader after the dissolution of their CMO in 2010-2011. Through review of board minutes and school leader reports, it is clear the administration has established high expectations for all stakeholders, and has organized operations and secures resources to implement the school's mission. It is unclear if these mid course corrections and operations have resulted in strong academic and operational performance. Therefore, in 2011-12, the school is approaching the Mayor's Office standard for this indicator.

2.6. Is the school meeting its school-specific organizational and management performance goals?	
Meets standard	School has clearly met its school-specific organizational goal.

Not Evaluated. Paramount School of Excellence did not have school-specific organizational and management performance goals to be evaluated for 2011-12.